



INTRODUCTION

This document, the Performance Evaluation and Measurement Plan (PEMP), primarily serves as DOE's Quality Assurance/Surveillance Plan (QASP) for the evaluation of Name of Contractor (hereafter referred to as "the Contractor") performance regarding the management and operations of the Name of National Laboratory (hereafter referred to as "the Laboratory") for the evaluation period from October 1, YEAR, through September 30, YEAR. The performance evaluation provides a standard by which to determine whether the Contractor is managerially and operationally in control of the Laboratory and is meeting the mission and requirement performance expectations/objectives of the Department as stipulated within this contract.

This document also describes the distribution of the total available performance-based fee and the methodology for determining the amount of fee earned by the Contractor as stipulated within the clauses entitled, "Determining Total Available Performance Fee and Fee Earned," "Conditional Payment of Fee, Profit, or Incentives," and "Total Available Fee: Base Fee Amount and Performance Fee Amount." In partnership with the Contractor and other key customers, the Department of Energy (DOE) Headquarters (HQ) and the Site Office have defined the measurement basis that serves as the Contractor's performance-based evaluation and fee determination.

The Performance Goals (hereafter referred to as Goals), Performance Objectives (hereafter referred to as Objectives) and set of Performance Measures and Targets (hereafter referred to as Performance Measures/Targets) for each Objective discussed herein were developed in accordance with contract expectations set forth within the contract. The Performance Measures for meeting the Objectives set forth within this plan have been developed in coordination with HQ program offices as appropriate. Except as otherwise provided for within the contract, the evaluation and fee determination will rest solely on the Contractor's performance within the Performance Goals and Objectives set forth within this plan.

The overall performance against each Objective of this performance plan, to include the evaluation of Performance Measures identified for each Objective, shall be evaluated



jointly by the appropriate HQ office or major customer and the Site Office. This cooperative review methodology will ensure that the overall evaluation of the Contractor results in a consolidated DOE position taking into account specific Performance Measures as well as all additional information not otherwise identified via specific Performance Measures. The Site Office shall work closely with each HQ program office or major customer throughout the year in evaluating the Contractor's performance and will provide observations regarding programs and projects as well as other management and operation activities conducted by the Contractor throughout the year.

Section I provides information on how the performance rating (grade) for the Contractor, as well as how the performance-based incentives fee earned (if any) will be determined. As applicable, also provides information on the award term eligibility requirements.

Section II provides the detailed information concerning each Goal, their corresponding Objectives, and Performance Measures of performance identified, along with the weightings assigned to each Goal and Objective and a table for calculating the final score for each Goal.

I. DETERMINING THE CONTRACTOR'S PERFORMANCE RATING, PERFORMANCE-BASED FEE AND AWARD TERM ELIGIBILITY (as applicable)

The FY YEAR Contractor performance grades for each Goal will be determined based on the weighted sum of the individual scores earned for each of the Objectives described within this document for Science and Technology and for Management and Operations. No overall rollout grade will be provided. The rollout of the performance of each Goal will then be utilized to determine the Contractor performance score for Science and Technology and Management and Operations (see Table A below). The total overall score derived for Science and Technology will be utilized to determine the amount of available fee that may be earned (see Table C). The overall score derived for Management and Operations will be utilized to determine the multiplier to be applied (see Table C) to the Science and Technology fee earned to determine the final amount of fee earned for FY YEAR. Each Goal is composed of two or more weighted Objectives and each Objective has a set of Performance Measures, which are identified to assist the reviewer in determining the Contractor's overall performance in meeting that Objective. Each of the Performance Measures identifies significant activities, requirements, and/or milestones important to the success of the corresponding Objective and shall be utilized as the primary means of determining the Contractor's success in meeting the Objective. Although the Performance Measures are the primary means for determining performance, other performance information available to the evaluating office from other sources to include, but not limited to, the Contractor's self-evaluation report, operational awareness (daily oversight) activities; "For Cause" reviews (if any); other outside agency reviews (OIG, GAO, DCAA, etc.), and the annual 2-week review (if needed), may be utilized in determining the Contractor's overall success in meeting an Objective. The following describes the methodology for determining the Contractor's grade for each Goal:



Performance Evaluation Methodology:

The purpose of this section is to establish a methodology to develop scoring at the Objective Level. Each Objective within a Goal shall be assigned a numerical score, per Figure I-1 below, by the evaluating office. Each evaluation will measure the degree of effectiveness and performance of the Contractor in meeting the Objective and shall be based on the Contractor's success in meeting the set of Performance Measures identified for each Objective as well as other performance information available to the evaluating office from other sources as identified above. The set of Performance Measures identified for each Objective represent the set of significant indicators that if fully met, collectively places performance for the Objective in the "B+" grade range. For some targets, it serves the evaluator to provide additional grading details (for example at the A, C+, and D levels) and in those cases details have been included in the PEMP. However, these should be considered as guidelines that do not restrict the evaluation from considering other factors that contribute to the evaluation.

Letter Grade	Numeric Grade	Definition
A+	4.3 – 4.1	Significantly exceeds expectations of performance as set within performance measures identified for each Objective or within other areas within the purview of the Objective. Areas of notable performance have or have the potential to significantly improve the overall mission of the Laboratory. No specific deficiency noted within the purview of the overall Objective being evaluated.
A	4.0 – 3.8	Notably exceeds expectations of performance as set within performance measures identified for each Objective or within other areas within the purview of the Objective. Areas of notable performance either have or have the potential to improve the overall mission of the Laboratory. Minor deficiencies noted are more than offset by the positive performance within the purview of the overall Objective being evaluated and have no potential to adversely impact the mission of the Laboratory.
A-	3.7 – 3.5	Meets expectations of performance as set within performance measures identified for each Objective with some notable areas of increased performance identified. Deficiencies noted are offset by the positive performance within the purview of the overall Objective being evaluated with little or no potential to adversely impact the mission of the Laboratory.
B+	3.4 – 3.1	Meets expectations of performance as set by the performance measures identified for each Objective with no notable areas of increased or diminished performance identified. Deficiencies identified are offset by positive performance and have little to no potential to adversely impact the mission of the Laboratory.
B	3.0 – 2.8	Most expectations of performance as set by the performance measures identified for each Objective are met and/or other minor deficiencies are identified. Performance measures or other minor deficiencies identified are offset by positive performance within the purview of the Objective and have little to no potential to adversely impact the mission of the Laboratory.
B-	2.7 – 2.5	One or two expectations of performance set by the performance



Letter Grade	Numeric Grade	Definition
		measures are not met and/or other deficiencies are identified and although they may be offset by other positive performance, they may have the potential to negatively impact the Objective or overall Laboratory mission accomplishment.
C+	2.4 – 2.1	Some expectations of performance set by the performance measures are not met and/or other minor deficiencies are identified and although they may be offset by other positive performance, they may have the potential to negatively impact the Objective or overall Laboratory mission accomplishment.
C	2.0 – 1.8	A number of expectations as set by the performance measures are not met and/or a number of other deficiencies are identified and although they may be somewhat offset by other positive performance, they have the potential to negatively impact the Objective or overall Laboratory mission accomplishment.
C-	1.7 – 1.1	Most expectations as set by the performance measures are not met and/or other major deficiencies are identified which have or will negatively impact the Objective or overall Laboratory mission accomplishment if not immediately corrected.
D	1.0 – 0.8	Most or all expectations as set by the performance measures are not met and/or other significant deficiencies are identified which have negatively impacted the Objective and/or overall Laboratory mission accomplishment.
F	0.7 – 0	All expectations as set by the performance measures are not met and/or other significant deficiencies are identified which have significantly impacted both the Objective and the accomplishment of the Laboratory mission.

Figure I-1. Letter Grade and Numerical Score Definitions

Calculating Individual Goal Scores and Letter Grades:

Each Objective is assigned the earned numerical score by the evaluating office as stated above. The Goal rating is then computed by multiplying the numerical score by the weight of each Objective within a Goal. These values are then added together to develop an overall score for each Goal. A set of tables is provided at the end of each Performance Goal section of this document to assist in the calculation of Objective scores to the Goal score. Utilizing Table A, below, the scores for each of the Science and Technology (S&T) Goals and Management and Operations (M&O) Goals are then multiplied by the weight assigned and these are summed to provide an overall score for each.

The raw score from each calculation shall be carried through to the next stage of the calculation process. The raw score for Science and Technology and Management and Operations will be rounded to the nearest tenth of a point for purposes of determining fee as indicated in Table C. A standard rounding convention of x.44 and less rounds down to the nearest tenth (here, x.4), while x.45 and greater rounds up to the nearest tenth (here, x.50).

S&T Performance Goal	Numerical	Letter	Weight	Weighted	Total
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	Score	Grade		Score	Score
1.0 Mission Accomplishment			XX%		
2.0 Construction and Operations of User Research Facilities and Equipment			XX%		
3.0 Science and Technology Research Project/Program Management			XX%		
Total Score					
M&O Performance Goal	Numerical Score	Letter Grade	Weight	Weighted Score	Total Score
4.0 Leadership and Stewardship of the Laboratory			XX%		
5.0 Integrated Safety, Health, and Environmental Protection			XX%		
6.0 Business Systems			XX%		
7.0 Operating, Maintaining, and Renewing Facility and Infrastructure Portfolio			XX%		
8.0 Integrated Safeguards and Security Management and Emergency Management Systems			XX%		
Total Score					

Table A. FY YEAR Contractor Evaluation Score Calculation

Final Grade	A+	A	A-	B+	B	B-	C+	C	C-	D	F
Total Score	4.3-4.1	4.0-3.8	3.7-3.5	3.4-3.1	3.0-2.8	2.7-2.5	2.4-2.1	2.0-1.8	1.7-1.1	1.0-0.8	0.7-0

Table B. FY YEAR Contractor Letter Grade Scale

Determining the Amount of Performance-Based Fee Earned:

The percentage of the available performance-based fee that may be earned by the Contractor shall be determined based on the overall weighted score for the S&T Goals (see Table A. above) and then compared to Table C. below. The overall numerical score of the M&O Goals from Table A. above shall then be utilized to determine the final fee multiplier (see Table C.), which shall be utilized to determine the overall amount of performance-based fee earned for FY YEAR as calculated within Table D.

Overall Weighted Score from Table A.	Percent S&T Fee Earned	M&O Fee Multiplier
4.3		



Overall Weighted Score from Table A.	Percent S&T Fee Earned	M&O Fee Multiplier
4.2		
4.1		
4.0	97%	100%
3.9		
3.8		
3.7	94%	100%
3.6		
3.5		
3.4	91%	100%
3.3		
3.2		
3.1		
3.0	88%	95%
2.9		
2.8		
2.7	85%	90%
2.6		
2.5		
2.4	75%	85%
2.3		
2.2		
2.1		
2.0	50%	75%
1.9		
1.8		
1.7	0%	60%
1.6		
1.5		
1.4		
1.3		
1.2		
1.1		
1.0 to 0.8	0%	0%
0.7 to 0.0	0%	0%

Table C. - Performance-Based Fee Earned Scale



Overall Fee Determination	
Percent S&T Fee Earned from Table C.	
M&O Fee Multiplier from Table C.	X
Overall Earned Performance-Based Fee	

**Table D. – Final Percentage of Performance-Based Fee
Earned Determination**

Adjustment to the Letter Grade and/or Performance-Based Fee Determination:

The lack of performance objectives and measures in this plan do not diminish the need to comply with minimum contractual requirements. Although the performance-based Goals and their corresponding Objectives shall be the primary means utilized in determining the Contractor's performance grade and/or amount of performance-based fee earned, the Contracting Officer may unilaterally adjust the rating and/or reduce the otherwise earned fee based on the Contractor's performance against all contract requirements as set forth in the Prime Contract. While reductions may be based on performance against any contract requirement, specific note should be made to contract clauses which address reduction of fee including, Standards of Contractor Performance Evaluation, DEAR 970.5215-1 – Total Available Fee: Base Fee Amount and Performance Fee Amount, and Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts. Data to support rating and/or fee adjustments may be derived from other sources to include, but not limited to, operational awareness (daily oversight) activities; "For Cause" reviews (if any); other outside agency reviews (OIG, GAO, DCAA, etc.), and the annual 2-week review (if needed).

The adjustment of a grade and/or reduction of otherwise earned fee will be determined by the severity of the performance failure and consideration of mitigating factors. DEAR 970.5215-3 Conditional Payment of Fee, Profit, and Other Incentives – Facility Management Contracts is the mechanism used for reduction of fee as it relates to performance failures related to safeguarding of classified information and to adequate protection of environment, health and safety. Its guidance can also serve as an example for reduction of fee in other areas.

The final Contractor performance-based grades for each Goal and fee earned determination will be contained within a year-end report, documenting the results from the DOE review. The report will identify areas where performance improvement is necessary and, if required, provide the basis for any performance-based rating and/or fee adjustments made from the otherwise earned rating/fee based on Performance Goal achievements.

Determining Award Term Eligibility: (Provide information as applicable)



II. PERFORMANCE GOALS, OBJECTIVES & PERFORMANCE MEASURES

Background

The current performance-based management approach to oversight within DOE has established a new culture within the Department with emphasis on the customer-supplier partnership between DOE and the laboratory contractors. It has also placed a greater focus on mission performance, best business practices, cost management, and improved contractor accountability. Under the performance-based management system the DOE provides clear direction to the laboratories and develops annual performance plans (such as this one) to assess the contractors performance in meeting that direction in accordance with contract requirements. The DOE policy for implementing performance-based management includes the following guiding principles:

- Performance objectives are established in partnership with affected organizations and are directly aligned to the DOE strategic goals;
- Resource decisions and budget requests are tied to results; and
- Results are used for management information, establishing accountability, and driving long-term improvements.

The performance-based approach focuses the evaluation of the Contractor's performance against these Performance Goals. Progress against these Goals is measured through the use of a set of Objectives. The success of each Objective will be measured based on a set of Performance Measures, both objective and subjective, that are to focus primarily on end-results or impact and not on processes or activities. Measures provide specific evidence of performance, and collectively, they provide the body of evidence that indicates performance relative to the corresponding Objectives. On occasion however, it may be necessary to include a process/activity-oriented measure when there is a need for the Contractor to develop a system or process that does not currently exist but will be of significant importance to the DOE and the Laboratory when completed or that lead to the desired outcome/result.

Performance Goals, Objectives, and Performance Measures

The following sections describe the Performance Goals, their supporting Objectives, and associated performance measures for FY YEAR



Goals & Objectives as of September 2005

- 1.0 Provide for Efficient and Effective Mission Accomplishment
 - 1.1 Science and Technology Results Provide Meaningful Impact on the Field
 - 1.2 Provide Quality Leadership in Science and Technology
 - 1.3 Provide and sustain Outputs that Advance Program Objectives & Goals
 - 1.4 Provide for Effective Delivery of Products
- 2.0 Provide for Efficient and Effective Design, Fabrication, Construction and Operations of Research Facilities
 - 2.1 Provide Effective Facility Design(s) as Required to Support Laboratory Programs (i.e., activities leading up to CD-2)
 - 2.2 Provide for the Effective and Efficient Construction of Facilities and/or Fabrication of Components (execution phase, Post CD-2 to CD-4)
 - 2.3 Provide Efficient and Effective Operation of Facilities
 - 2.4 Utilization of Facility to Grow and Support Lab's Research Base and External User Community
- 3.0 Provide Effective and Efficient Science and Technology Program Management
 - 3.1 Provide Effective and Efficient Stewardship of Scientific Capabilities and Program Vision
 - 3.2 Provide Effective and Efficient Science and Technology Project/Program Planning and Management
 - 3.3 Provide Efficient and Effective Communications and Responsiveness to Customer Needs
- 4.0 Provide Sound and Competent Leadership and Stewardship of the Laboratory
 - 4.1 Provide a Distinctive Vision for the Laboratory and an Effective Plan for Accomplishment of the Vision to Include Strong Partnerships Required to Carry Out those Plans
 - 4.2 Provide for Responsive and Accountable Leadership throughout the Organization
 - 4.3 Provide Efficient and Effective Corporate Office Support as Appropriate
- 5.0 Sustain Excellence and Enhance Effectiveness of Integrated Safety, Health, and Environmental Protection
 - 5.1 Provide a Work Environment that Protects Workers and the Environment
 - 5.2 Provide Efficient and Effective Implementation of Integrated Safety, Health and Environment Management
 - 5.3 Provide Efficient and Effective Waste Management, Minimization, and Pollution Prevention



- 6.0 Deliver Efficient, Effective, and Responsive Business Systems and Resources that Enable the Successful Achievement of the Laboratory Mission(s)
 - 6.1 Provide an Efficient, Effective, and Responsive Financial Management System(s)
 - 6.2 Provide an Efficient, Effective, and Responsive Acquisition and Property Management System(s)
 - 6.3 Provide an Efficient, Effective, and Responsive Human Resources Management System and Diversity Program
 - 6.4 Provide Efficient, Effective, and Responsive Management Systems for Internal Audit and Oversight; Quality; Information Management; and Other Administrative Support Services as Appropriate
 - 6.5 Demonstrate Effective Transfer of Technology and Commercialization of Intellectual Assets
- 7.0 Sustain Excellence in Operating, Maintaining, and Renewing the Facility and Infrastructure Portfolio to Meet Laboratory Needs
 - 7.1 Manage Facilities and Infrastructure in an Efficient and Effective Manner that Optimizes Usage and Minimizes Life Cycle Costs
 - 7.2 Provide Planning for and Acquire the Facilities and Infrastructure Required to support Future Laboratory Programs
- 8.0 Sustain and Enhance the Effectiveness of Integrated Safeguards and Security Management (ISSM) and Emergency Management Systems
 - 8.1 Provide an Efficient and Effective Emergency Management System
 - 8.2 Provide an Efficient and Effective System for Cyber-Security
 - 8.3 Provide an Efficient and Effective System for the Protection of Special Nuclear Materials, Classified Matter, and Property
 - 8.4 Provide an Efficient and Effective System for the Protection of Classified and Sensitive Information